television service by the first subscriber terminal, **on one of the at least one local television channel via the second transmission link**, to the second subscriber terminal that is located at the subscriber premises."

Sonicblue fails to disclose that which is recited in claims 1.

Paragraph 2 of the Office Action states that Sonicblue discloses:

> "[a]s to 'transmitting the first television service by the first subscriber terminal, on one of the at least one local television channel via the second transmission link, to the second subscriber terminal that is located at the subscriber premises' Sonicblue discloses (pg. 49-50) that the ReplayTV unit replays channels and recorded shows from another ReplayTVunit, where transmission takes place over network cable coupled between the networked ReplayTV units."

As described on page 12 of Sonicblue, the reference discloses that connecting the device "to the ETHERNET" will permit a user to send recordings to other ReplayTV users. Accordingly, the system described in Sonicblue uses the Ethernet, an address-driven data packet delivery standard, to communicate between two devices. Sonicblue **fails to disclose transmitting on a channel having a frequency**.

More particularly, Murase fails to disclose wherein the at least one local television channel has a frequency that is unused on the first transmission link by the head-end, and transmitting the first television service by the first subscriber terminal, on one of the at least one local television channel via the second transmission link, to the second subscriber terminal that is located at the subscriber premises, as recited in independent claim 1.

In light of the above-discussion, it is clear that independent claim 1 is novel over Sonicblue within the meaning of 35 U.S.C. § 102(e).

In view of the above discussion, applicant believes the pending application is in condition for allowance, an indication of which is respectfully solicited.

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